

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION BY FOX CREEK RURAL ELECTRIC)
COOPERATIVE CORPORATION TO BORROW ADDITIONAL)
SUMS OF MONEY IN THE AMOUNT OF \$275,258, AT)
A VARIABLE INTEREST RATE, FROM NATIONAL)
UTILITIES COOPERATIVE FINANCE CORPORATION,) CASE NO. 9694
TO EXECUTE A NOTE THEREFOR TO BE SECURED BY)
COMMON MORTGAGE HERETOFORE EXECUTED UNDER)
DATE OF DECEMBER 4, 1973, AND FOR A CERTIFI-)
CATE OF CONVENIENCE AND NECESSITY.)

O R D E R

IT IS ORDERED that Fox Creek Rural Electric Cooperative Corporation ("Fox Creek") shall file an original and 10 copies of the following information with the Commission with a copy to all parties of record. The information requested herein is due no later than October 30, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide a copy of the loan agreement between Fox Creek and the National Rural Utilities Cooperative Finance Corporation ("CFC").

2. Provide a detailed description of any other financing options that were considered in securing the CFC loan. This response should include the reason(s) that CFC financing was

selected over other options as well as the results of any studies conducted which support the use of CFC financing.

3. What consideration has Fox Creek given to the various loan programs available through CFC? Explain why Fox Creek anticipates selecting the variable rate option.

4. Provide the additional debt service requirements associated with the Rural Electrification Administration loan.

5. Provide the current interest rates on both CFC fixed rate and variable rate loans.

6. Will Fox Creek be able to meet its increased debt service requirements with the revenues generated by its existing rates?

7. Please provide additional information concerning the historical cost of Item 7 and Item 15 on Page 11 of the Engineering Work Plan.

8. With reference to the voltage drop studies, provide information explaining how the "Dollars Loss" figure was computed.

Done at Frankfort, Kentucky, this 22nd day of October, 1986.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director